
Authority of the Financial Transaction Analysis Reporting Center in Tracing Hidden Trading Crimes

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Abstract

The search for money resulting from money laundering crimes carried out by the Financial Transaction Analysis Reporting Center regarding cases of illegal trading in Indonesia is very difficult to find or trace, in this case the stock game only involves guessing the rising or falling graph and in guessing the name of the stock is not given. up and down. From this game, the trading dealer makes a profit of 80% of the victim's losses and the remaining 20% goes to the illegal trading application. Let's take a look back at this trading, everyone wants instant wealth in a short period of time and is sure to get it quickly just by guessing the rising or falling graph in this stock game, who would have thought that this stock game has been regulated by the trading bookie of the stock game and The trading bookie also determines whether we win or lose. The trading dealer deliberately gives us the first win in this stock trading game so that we continue playing and even sell our assets such as houses, cars and others so that we can multiply them. When placing a large deposit, that is where the trading dealer makes the player lose and this is regulated by the dealer. In this case, the Financial Transaction Analysis Reporting Center investigated the confiscation and impoverishment of movable and immovable, tangible or intangible assets obtained directly or indirectly carried out by affiliates in connection with criminal cases of money laundering which are regulated in Law 8 of 2010 concerning prevention. and eradicating money laundering crimes. However, the financial transaction analysis reporting center is not given more authority in investigations or investigations but is only given the authority to provide reports on analysis results and audit analysis results only.

Keywords: Authority of the Financial Transaction Analysis Reporting Center, Money Laundering, Trading, Confiscation

1. INTRODUCTION

1.1 Background of Research

Advances in science, information and communication technology, have given rise to the phenomenon of globalization, which on the one hand provides positive benefits because it encourages the easier movement of people, goods and services from one country to another. On the other hand, the phenomenon of globalization has played a role in reconstructing the quite complex *modus operandi* of transnational crimes. Global developments have changed the characteristics of crimes that were originally in the domestic sphere to become transnational crimes or transnational crimes (Husein, 2016).

Many transnational crimes related to finance are committed through the banking sector. The banking sector is one of the most widely used modes of money laundering. Of course, this cannot be separated from the development and progress of science and technology, especially in the field of communication, which has an impact on the integration of the financial system, including the banking system, which offers a mechanism for inter-country fund traffic that can be carried out in a very short time.

Repressive crime eradication, in the old paradigm emphasizing Follow the Suspect, focused more on the pursuit of criminals. Unlike the case with the new paradigm which emphasizes pursuing money

or Follow the Money or trying to trace assets originating from crime, which is then reconstructed from where the wealth came from and what crimes gave birth to the wealth. This approach is easier than the conventional approach because money laundering is the weakest link in a crime chain (Sjahdeini, 2005).

Chasing criminals is relatively more difficult, compared to chasing the proceeds of crime. Eradication of criminal acts with a new paradigm implies that the target to be aimed at eradicating repressive criminal acts is the "lifeblood of the crime" and eliminates the motivation of people to commit crimes. With the conventional approach, usually those who are ensnared are lower class actors, and do not touch the real main actors. The rationality of the paradigm concept is based on a simple argument that to start an investigation and investigation it is not necessary to first prove the original crime, so that in the process of handling the crime of money laundering, it is similar to the crime of detention.

There are several definitions of money laundering. In general, the meaning or definition is not much different from each other. Black's Law Dictionary provides the definition of money laundering as a term used to describe investment or other transfer of money flowing from racketeering, drug transactions, and other illegal sources into legitimate channels so that its original source cannot be traced (Henry, 2011). (*Money laundering is a term to describe investments in legal fields through legitimate channels, so that the origin of the money cannot be determined*). Money laundering is the process of removing traces of the origin of money resulting from illegal or criminal activities through a series of investment activities or transfers carried out repeatedly with the aim of obtaining legal status for money invested or entered into the financial system.

The Financial Transaction Reports and Analysis Center (PPATK) together with investigators have suspended transactions and blocked illegal investment cases. The handling of the case has been carried out since January 2022 until now. The temporary suspension of transactions and blocking reached a value of IDR 202 billion from 109 accounts at 55 Financial Service Providers. PPATK has handled these illegal investment cases since the beginning of the year and totaled 9 cases including Robot Trading, Binary Options and Forex Trading with nominal transactions analyzed by PPATK in all of these cases reaching trillions of rupiah.

Basically, PPATK has the main function as an information center or database for financial transactions indicated by money laundering. However, PPATK does not have the same active capacity as financial service providers, then analyzes the report and reports it to the investigators. Thus, it is possible that the number of reports reported to investigators must still be investigated by investigators because PPATK cannot carry out investigative actions on the data it has obtained, except for cases where the predicate crime is known.

In accordance with its duties and authorities, INTRAC has monitored the flow of funds from investors to various parties suspected of selling illegal investment products and cooperated with investigators. The temporary suspension of the transaction is carried out for 20 working days and then coordinates and reports to law enforcement. To the public, PPATK reminds them to be more careful with investment offers that have no legality, offer unreasonable profits, and unclear underlying assets because they are all very risky speculations. Generally, such investments are managed in a non-transparent and illegal manner using ponzi schemes. In relation to investments in the form of trading that are allegedly illegal, such as trading robots or binary options, and involving influencers known as 'crazy rich', PPATK has also monitored and temporarily suspended transactions.

"The PPATK's considerations in taking this step were, among other things, due to reports of Suspicious Financial Transactions from Financial Service Providers as well as a number of profiling irregularities," said PPATK Head Ivan Yustiavanda. He gave an example of the irregularity of profiling, such as in a short time and without knowing his business, a person suddenly has quite a large fortune, but it is not in accordance with his professional income, or even his profession is not clearly known. The number of accounts related to fraudulent investments that have been temporarily suspended by PPATK is 77 accounts owned by 44 parties in 48 Financial Services Providers. The total amount of funds in all these accounts is IDR 28.24 billion. This number is still moving because the search process is still ongoing. The numbers above are based on fraudulent investment tracking since January 2022. It turned out that the assets obtained by Crazy Rich from Medan, Indra Kenz, from illegal investments in the Binomo application reached hundreds of billions.

Meanwhile, according to the information from the Criminal Investigation Unit at the Police Headquarters, the amount of Indra Kenz's confiscated assets reached Rp. 55 billion. The value of illegal investment transactions with the modus operandi of a number of Crazy Rich Indonesia, such as Indra

Kenz and Doni Salmanan, is estimated to reach billions of trillions. As is known when the release of the arrest of Crazy Rich Indra Kenz, the Criminal Investigation Department, the Police had confiscated wealth assets obtained from illegal investments which amounted to Rp 55 billion. Meanwhile, Doni Salmanan's assets which were confiscated by the Criminal Investigation Unit of the Police at that time were 97 items with a total of Rp. 64 billion. Ivan said that the confiscated assets were assets obtained from criminal acts related to illegal investments. "The assets from the crime were taken again, confiscated, blocked. It doesn't necessarily belong to the state, waiting for the results of the court. It could be returned to the aggrieved party," he said. Surprisingly, the amount of wealth obtained by Indra Kenz and Doni Salmanan from this illegal investment practice, according to him, could reach hundreds of billions of rupiah.

In the making of this research, there is a legal vacuum where law enforcement and application, especially in Indonesia, often faces obstacles related to community development. The various cases that have occurred illustrate the difficulty of law enforcement or law enforcement officials in finding ways to make the law in line with existing societal norms. However, the development of society is faster than the development of laws and regulations, so that developments in society are the starting point for the existence of a regulation.

1.2 Formulation of the Problem

Based on the background explanation above, two problem points can be formulated:

1. How does the financial transaction analysis reporting center track the proceeds of crimes committed by binary option trading affiliates?
2. Strategic efforts and steps to empower the anti-money laundering regime in Indonesia now and in the future?

1.3 Research aims

The purpose of this study is to find out the financial transaction analysis reporting center tracing the proceeds of crimes committed by binary options trading affiliates as well as Strategic efforts and steps to empower the anti-money laundering regime in Indonesia now and in the future.

2. METHOD

This type of research is normative legal research, namely legal research conducted by examining library materials or secondary data (Soekanto & Mamuji, 2013), also called doctrinal research, where law is often conceptualized as what is written in legislation (*law in books*) or conceptualized as a rule, or norms that are standards of human behavior that are considered appropriate or appropriate (Amiruddin & Asikin, 2012).

According to Peter Mahmud Marzuki, normative legal research is a process to find a rule of law, legal principles, and legal doctrines in order to answer the legal issues it faces (Marzuki, 2015). Based on the explanation above, it can be concluded that the type of research carried out in writing this article is normative legal research, because the researcher uses library materials as the main data to analyze the case, and the author does not conduct field research. This research is researched using library materials (*secondary material*) or library law research which is broadly aimed at research on legal principles, research on legal systematics, research on legal synchronization, research on legal history, and research on legal comparisons (Ediwarman, 2012).

3. RESULTS AND DISCUSSION

3.1 The Financial Transaction Analysis Reporting Center Track the Proceeds of Crimes Committed by Binary Option Trading Affiliates

The Financial Transaction Reports and Analysis Center (*PPATK*) has collaborated with 5 Financial Intelligence Units (*FIU*s) abroad to examine the flow of illegal investment funds under the guise of binary options trading, Binomo. As a member of the FIU community, the existence of PPATK cannot be separated from the existence of the PPTPPU Law, as well as the previous Law. The success that has been achieved in building anti-money laundering in Indonesia has not been sufficient, due to regulatory constraints on these institutions (Husein, 2013). Even though in its journey, this institution has made a very large contribution in the framework of law enforcement in handling money laundering cases in Indonesia. Meanwhile, the limitations of regulations related to institutional arrangements, it is

felt that this institution cannot maximize its role and function. Meanwhile, the rampant money laundering cases that have occurred recently have deeply disturbed the public. This weakness in the legislation is used by the perpetrators to not be afraid to commit money laundering. Even the perpetrators deliberately took the proceeds of crime abroad so that law enforcement officials could not touch them. This fact then made the government to immediately improve the existing provisions. Meanwhile, the new provisions that require supporting provisions have not yet been realized as soon as possible. So that what happens is that the new law seems unable to deal with increasingly complex problems. This follows up on the unclear location of the Binomo company. Some say the location is in ST Vincent and the Grenadines, the Caribbean. The Caribbean is one of the countries that has weak rules regarding money laundering because it is not part of the Financial Action Task Force (FATF). Not surprisingly, PPATK pursued this illegal flow of investment funds to the Caribbean and the British Virgin Islands with the cooperation of 5 FIUs.

"PPATK has collaborated with 5 FIUs abroad, including in the Caribbean and the British Virgin Islands," said PPATK Head Ivan Yustiavadana, Thursday (10/3/2022). Ivan revealed that there were suspicions that the perpetrators had hidden funds in the territory. This is indeed often done by criminals around the world to carry out money laundering practices. Later, based on the search results, his party will hand it over to the Police for investigation. "That is related to the flow of funds and the allegation that they are trying to hide assets related to the results of criminal acts in the country," he said.

Meanwhile, the National Police's Criminal Investigation Agency (*Bareskrim*) revealed that there have been 14 victims who reported related to the Binomo case with losses reaching Rp 25.6 billion. The police finally arrested the influencer and named him a suspect on February 24, 2022. All of his assets, in the form of houses, luxury cars, and collections of his property were confiscated. Indra Kenz is now facing a 20-year prison sentence for alleged online gambling crimes and/or spreading false news through electronic media and/or fraud, fraudulent acts and/or money laundering crimes (*TPPU*).

The approach with the anti-money laundering regime in preventing and reducing the crime rate in Indonesia is a new paradigm so that in its implementation it creates various obstacles. In general, these obstacles can be grouped into four, namely (Triono, 2014):

First, the understanding of law enforcement officers and the public on the Anti-Money Laundering Law still needs to be improved so that the implementation of the anti-money laundering regime runs better. The low level of understanding of law enforcement officers and the public on the Anti-Money Laundering Law has led to many cases of money laundering that still escape the law. In an effort to overcome this problem, PPATK together with related agencies have carried out a lot of outreach, seminars/workshops, training for both law enforcement officers and the wider community.

Second, the compliance of FSPs as the spearhead in the anti-money laundering regime is still not optimal, especially for non-bank FSPs. Based on statistics, the number of PJKs that submit reports to PPATK is only 143 PJKs (109 banks and 34 non-banks) even though we know the number of PJKs in Indonesia is around four thousand. In order to improve FSP compliance, PPATK in collaboration with financial institution authorities (Bank Indonesia, Capital Market Supervisory Banks and Financial Institutions, Ministry of Finance) continues to encourage FSPs to improve the implementation of Know Your Customer Principles and is an internal policy, including an internal audit system. PPATK has also issued several guidelines for PJK such as General Guidelines for the Prevention and Eradication of the Crime of Money Laundering, Guidelines for Identification of Suspicious Financial Transactions, Guidelines for Reporting Suspicious Financial Transactions and Cash Financial Transactions, PPATK also conducts audits on compliance with reporting obligations and continues to review encourage PJK to report suspicious financial transactions. We are aware that FSPs still encounter many obstacles in carrying out their reporting obligations to PPATK.

Third, coordination with various related agencies for the successful law enforcement of money laundering crimes still needs to be improved. Coordination between law enforcers is still less than optimal and less harmonious.

Fourth, internally PPATK faces permanent staffing and office problems. PPATK does not yet have permanent employees as core employees because the head of PPATK has not been appointed as a staffing officer so that he does not have the authority to appoint permanent employees. So far, employees come from related agencies such as Bank Indonesia, Ministry of Finance, Bapepam, Police, Attorney General's Office and several contract employees.

3.2 Strategic Efforts and Steps to Empower the Anti-Money Laundering Regime in Indonesia Now and in the Future

In the case of binary options trading, the return of losses in the case of illegal investments is also difficult. The reason is that it is necessary to verify the real loss data from each investor. In some cases, there are investors who have already received profits or bonuses for their investments. However, it was then often not recognized by them. "It is necessary to verify real loss data from each investor, where some investors may have received profits or bonuses, but they are often not recognized," the National Police are investigating several cases of fraudulent investments under the guise of binary options trading, such as Binomo and Qoutex.

Efforts must be made to strengthen the six main pillars which are closely related to each other. First, laws and regulations. Second, human resources and information technology systems. Third, analysis and compliance of Financial Service Providers. Fourth, domestic and international cooperation. Fifth, institutional. Sixth, research and development. Strengthening the anti-money laundering regime is a must. In this case, it is implemented by strengthening 6 (*six*) main pillars which are closely related to each other. The National Strategy for the Prevention and Eradication of Money Laundering has been prepared for the next 5 (five) years (2007-2011) (Sjahdeini, 2015). Aimed at identifying weaknesses in the implementation of the Anti-Money Laundering Regime that requires representative action at the executive and legislative levels.

This National Strategy recommends strategic steps in various fields, namely (Ariawan, 2012):

- a) making a single identity number (*single identity number*) for all Indonesian citizens to facilitate the prevention and eradication of criminal acts;
- b) promulgation of the draft Law on the Prevention and Eradication of the Crime of Money Laundering as soon as possible so that Indonesia has a more comprehensive and effective anti-money laundering law to prevent and eradicate money laundering in accordance with international standards;
- c) electronic database management and database connectivity between relevant agencies so that the information needs of each relevant agency can be met as soon as possible, so that the handling of money laundering and other crimes becomes more effective and efficient;
- d) increasing compliance supervision of financial service providers so that financial service providers have a higher awareness to fulfill their obligations as reporting parties;
- e) streamlining the application of asset forfeiture and asset recovery so that the assets resulting from crimes returned to the state can be maximized and at the same time can make a significant contribution to the development of the national economy;
- f) binding public participation through public campaigns to support the implementation of the anti-money laundering regime in Indonesia;
- g) acceleration of ratification and harmonization of international treaties;
- h) regulations regarding alternative remittance services (*Alternative Remittance System*) and electronic money transfers (*wire transfers*).

The strategic plan and strategy for strengthening the anti-money laundering regime above is a framework of reference and guidelines that will be implemented and will be aimed at efforts to combat money laundering in Indonesia in the period 2007-2011 (Valsamis, 2014). With this reference, it will be able to evaluate the performance of the successes and obstacles faced for further improvement in future strategies to maximize the prevention and eradication of the crime of money laundering.

The establishment of Law Number 8 of 2010 concerning the Prevention and Eradication of the Crime of Money Laundering (*hereinafter abbreviated to the PPTPPU Law*) in the context of meeting national interests and adjustments to international standards is expected to become a legal basis to ensure legal certainty, effectiveness of law enforcement and the search and return of assets resulting from acts of crime. criminal.

The new substances regulated in the PPTPPU Law are (Weber, 2018):

- a) redefinition of the meaning of matters related to the crime of Money Laundering;
- b) perfecting the criminalization of the crime of Money Laundering;
- c) regulations regarding the imposition of criminal sanctions and administrative sanctions;
- d) strengthening the application of the principle of recognizing Service Users;
- e) expansion of the Reporting Party;

- f) determination of the type of reporting by other providers of goods and/or services;
- g) arrangements regarding Compliance Supervision;
- h) granting authority to the Reporting Party to postpone the Transaction;
- i) expansion of the authority of the Directorate General of Customs and Excise to carry cash and other payment instruments into or out of the customs area;
- j) granting authority to investigators for predicate crimes to investigate allegations of money laundering;
- k) expansion of agencies entitled to receive the results of PPATK analysis or examination;
- l) restructuring of PPATK institutions;
- m) additional authority of PPATK, including the authority to temporarily suspend Transactions;
- n) rearrangement of the law on the examination of the criminal act of Money Laundering; and;
- o) regulations regarding the confiscation of Assets originating from criminal acts.

Many new substances are regulated in the PPTPPU Law, including the PPATK institutional arrangements, expansion of agencies entitled to receive PPATK analysis or examination results, as well as the addition of PPATK's authority including the authority to temporarily suspend transactions. To further clarify the role of PPATK as regulated in UUPPTPPU, the following will be discussed.

In the PPTPPU Law, the position of PPATK is regulated in Article 37, that its position is independent and free from interference and influence of any power, and is responsible to the President. Article 38 PPATK is domiciled in the capital city of the Republic of Indonesia (Jakarta), if necessary, representatives in the regions can be opened. Its duties and authorities are regulated in Articles 39-46 of the PPTPPU Law, and as a form of PPATK accountability, Article 47 stipulates, PPATK shall prepare and submit reports on the implementation of its duties, functions and authorities periodically every 6 (six) months, and these reports are submitted to the President and DPR. As mandated by Article 46 of the PPTPPU Law, the procedure for implementing the PPATK's authority is regulated by a Presidential Regulation. The regulation in question is Presidential Regulation Number 50 of 2011, which replaces the position of Presidential Decree Number 82 of 2003.

4. CONCLUSION

In writing research on the search for money from the crime of money laundering carried out by the financial transaction analysis reporting center (*PPATK*) in this binary options affiliate case, (*PPATK*) should have been more aggressive in tracing money from crimes committed by affiliates, because in fact there are several not all of the affiliates in Indonesia have had their wealth confiscated related to this money laundering crime, (*PPATK*) should have their wealth confiscated in this case, not only affiliates with big money who are targeted by (*PPATK*) but other affiliates should also have their assets confiscated and impoverished. In the future (*PPATK*) must be given authority in the investigation and investigation of financial transactions, (*PPATK*) in the discussion of the draft law on Money Laundering (*TPPU*) requested that its authority be expanded. The request is submitted in terms of the authority to investigate and block accounts. The reason is that there are many suspicious financial transactions related to corruption. At this time (*PPATK*) only has the authority to conduct investigations on the analysis of financial transactions.

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Legislation:

1. Law No. 15 of 2002 concerning the Crime of Money Laundering.
2. Law No. 25 of 2003 concerning the Crime of Money Laundering.
3. Law No. 8 of 2010 concerning the Prevention and Eradication of the Crime of Money Laundering.